

MINUTES OF MEETING

The 326th meeting of the Rhode Island Student Loan Authority was held on Friday, June 19, 2015 in the McKenna Conference Room, 1st Floor, 560 Jefferson Boulevard, Warwick, Rhode Island.

Members in attendance:

Mr. Robert J. Delaney
Ms. Christine Barnes Jenkins
Mr. Robert R. Theroux
Mr. Seth Magaziner, General Treasurer, State of RI
Mr. Daniel Egan

Others in attendance:

Mr. Charles Kelley
Mr. Noel Simpson
Ms. Jennifer Dutch
Mr. Kevan McAleer
Ms. Debbie Machowski
Ms. Gail Walker

The meeting was called to order at 8:35 a.m. by Mr. Delaney.

Upon a motion made by Ms. Jenkins and seconded by Mr. Theroux, it was unanimously

VOTED to approve the minutes from the May 15, 2015 Board of Director's Meeting.

Chairman's Report

Mr. Delaney announced that Mr. Duffy has resigned from the Board. He also stated that Sandra Matrone Mack has been nominated by the Governor but her appointment is pending Senate confirmation.

Mr. Delaney reported on the annual Paul Sherlock event that took place at the State House in which 25 students were awarded scholarships totaling \$50 thousand. The scholarships are paid for with a grant from the Nelnet Foundation.

Executive Director's Report

Mr. Kelley informed the board that the Auditor General and Director of Administration confirmed the appointment of Marcum LLP as RISLA's auditors for the next three years.

Mr. Kelley highlighted AAA rating confirmations on two of RISLA's bond issues. Standard and Poors has confirmed the AAA rating on the 2008 A&I series, and Fitch Ratings has confirmed the AAA (sf) rating on the 2014-1 series.

Mr. Kelley announced that the student loan legislation known as Stay Invested in RI Wavemaker Fellowship passed the House as part of the FY 2016 State Budget. If the bill is enacted by the legislature and the Governor signs the bill, RISLA has offered to assist the Commerce Corporation in the implementation of the program.

Discussion of FY 2016 RISLA Operating Budget

Mr. Kelley provided an overview of RISLA FY 2016 budget. He noted that the federal student loan portfolio has declined but non-federal loan originations continue to increase. He also noted that the refinancing program was a pilot program for the current year and originations are projected to increase for the 2016 fiscal year.

Mr. McAleer went over loan origination projections, and RISLA projected revenues and expenses for FY 2016. He also discussed additional compliance requirements beyond the annual audit which has resulted in additional audit expenses for FY 2016.

The Board discussed Mr. McAleer's projections and asked the staff about certain assumptions in the budget.

Upon a motion made by Mr. Theroux and seconded by Mr. Magaziner, it was unanimously

VOTED to Adopt the FY 2016 Operating Budget.

Discussion of Changes to Direct Loan Servicing Contract

Mr. Kelley reported on the Direct Loan servicing contract RISLA currently has with Aspire Resources LLC., a division of the Iowa Student Loan Authority. Aspire plans to leave the direct loan servicing business and has asked RISLA if we would consent to an assignment to MOHELA, a state agency from Missouri. Mr. Kelley stated that RISLA's attorney, Mr. Palumbo, has reviewed the contract amendments. Mr. McAleer and Mr. Simpson projected that by consenting to the change to MOHELA RISLA could earn an additional \$70,000 through the remaining term of the contract which expires in March 2017. Mr. Kelley also stated that the contract amendments would still need to be approved by the Department of Education. Mr. Simpson stated that MOHELA is committed to the direct loan servicing business and would likely bid to extend their contract beyond March 2017 and RISLA could earn additional income beyond the estimate noted above. The Board asked about MOHELA's performance under the Direct Loan contracts. Mr. Simpson stated that MOHELA has scored well in customer satisfaction surveys.

Upon a motion made by Mr. Magaziner and seconded by Ms. Jenkins, it was unanimously

VOTED to Consent to Changes to Direct Loan Servicing Contract.

Upon a motion made by Mr. Egan and seconded by Mr. Theroux, it was unanimously

VOTED to adjourn at 9:10 a.m.

Mr. Robert Theroux
Secretary